

# Sauk Valley Community College District #506

Dixon, Illinois

Federal Compliance Audit Report  
Year Ended June 30, 2021



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**ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION**

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Trustees  
Sauk Valley Community College District 506  
Dixon, Illinois

**Report on Compliance for Each Major Federal Program**

We have audited Sauk Valley Community College District 506’s (the “College”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College’s major federal programs for the year ended June 30, 2021. The College’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

***Management’s Responsibility for Compliance***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor’s Responsibility***

Our responsibility is to express an opinion on compliance for each of the College’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the College’s compliance.

## ***Opinion on Each Major Federal Program***

In our opinion, Sauk Valley Community College District 506 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

## **Report on Internal Control Over Compliance**

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of Sauk Valley Community College District 506, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Sauk Valley Community College District 506's basic financial statements. We have issued our report thereon dated January 13, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Wipfli LLP*

Sterling, Illinois  
February 28, 2022

# Sauk Valley Community College District 506

## Schedule of Expenditures of Federal Awards

For the year ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass-Through Grantor's Number	Expenditures	Passed Through to Subrecipients
<b>Department of Treasury:</b>				
Passed through the Illinois Community College Board Coronavirus Relief Fund:				
ICCB/IDHS CURES Act for Adult Education	21.019	CURES45	\$6,495	\$0
<b>Small Business Administration:</b>				
Passed through the Illinois Department of Commerce and Economic Opportunity:				
Small Business Development Centers	59.037	20-561191	\$40,705	\$0
Small Business Development Centers - CARES Act funds	59.037	20-543191	22,561	0
Small Business Development Centers	59.037	21-181191	43,403	0
<b>Total 59.037</b>			<b>\$106,669</b>	<b>\$0</b>
<b>U.S. Department of Veteran's Affairs:</b>				
Direct award:				
Post 9/11 Veteran's Education Assistance				
Grants to Students	64.028		\$40,311	\$0
Reporting Fee	64.028		864	0
<b>Total 64.028</b>			<b>\$41,175</b>	<b>\$0</b>
<b>U.S. Department of Education:</b>				
Pass-through Illinois Community College Board:				
Adult Education:				
Federal Adult Basic	84.002	5060121	\$88,803	\$0
Direct awards:				
Student Financial Assistance:				
Federal Supplemental Educational Opportunity Grants (m)	84.007	P007AXX1275	196,424	0
Federal Work Study Program (m)	84.033	P033AXX1275	43,740	0
Federal Pell Grant Program (m)	84.063	P063XXX1379	2,028,472	0
Federal Direct Loan Program (m)	84.268	P268KXX1379	663,310	0
<b>Total student financial assistance cluster</b>			<b>2,931,946</b>	<b>0</b>
Direct award:				
Higher Education Institutional Aid	84.031A	P031A200034	482,706	0
Direct award:				
TRIO - Student Support Services	84.042A	P042A100621-20	266,385	0
Passed through the Illinois Community College Board:				
Career and Technical Education - Basic Grants to States				
Perkins CTE Leadership	84.048	LEAD-50619	18,212	0
Perkins CTE Leadership	84.048	LEAD-50621	21,378	0
Perkins Postsecondary Grants	84.048	CTE50621	179,408	0
<b>Total 84.048</b>			<b>218,998</b>	<b>0</b>
Direct award:				
Education Stabilization Fund:				
COVID-19 - CARES Act - Student (m)	84.425E	P425E200479	597,996	0
COVID-19 - CARES Act - Institutional (m)	84.425F	P425F201961	1,995,657	0
COVID-19 - CARES Act - Strengthening Institutions (m)	84.425M	P425M200128	22,433	0
COVID-19 - CARES Act - GEER (m)	84.425C	GEER-506	48,630	0
<b>Total education stabilization fund</b>			<b>2,664,716</b>	<b>0</b>
<b>Total U.S. Department of Education</b>			<b>\$6,653,554</b>	<b>\$0</b>
<b>Corporation for National and Community Service:</b>				
Passed through the Illinois Department of Public Health:				
AmeriCorps - Formula Program	94.006	07380016H	\$12,296	\$0
AmeriCorps - Formula Program	94.006	17380016I	116,468	0
<b>Total 94.006</b>			<b>\$128,764</b>	<b>\$0</b>
<b>Total federal awards expended</b>			<b>\$6,936,657</b>	<b>\$0</b>

(m) Denotes major program

# Sauk Valley Community College District 506

## Notes to the Schedule of Expenditures of Federal Awards

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### **Note 1**     **Significant Accounting Policy**

#### Reporting entity and basis of accounting

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Sauk Valley Community College District 506 (the "College") for the year ended June 30, 2021, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The College elected to not use the 10% de minimis indirect cost rate during the year ended June 30, 2021.

### **Note 2**     **Federal Loan Program**

For the year ended June 30, 2021, the College acted as a pass-through agency for Federal Direct Loans (subsidized and unsubsidized) to students in the amount of \$663,310.

### **Note 3**     **Non-cash Assistance**

The College did not expend any federal awards in the form of non-cash assistance during the year ended June 30, 2021.



# Sauk Valley Community College District 506

## Schedule of Findings and Questioned Costs

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### Section I – Summary of Auditor’s Results

#### Financial Statements

Type of auditor’s report issued:		Unmodified
Internal control over financial reporting:		
Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

#### Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiency(ies) identified that are not considered to be material weakness(es)	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported

Type of auditor’s report issued on compliance for major programs:		Unmodified
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Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
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Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.007, 84.033, 84.063, 84.268	Student Financial Assistance Cluster
84.425C, 84.425E, 84.425F, 84.425M	COVID-19 - Education Stabilization Funds

Dollar threshold used to distinguish between type A and type B programs:	\$ <u>750,000</u>
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Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
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# Sauk Valley Community College District 506

## Schedule of Findings and Questioned Costs

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### Section II – Financial Statement Findings

A. Internal Control

None

B. Compliance Finding

None

### Section III – Federal Award Findings and Questioned Costs

A. Internal Control

None

B. Compliance Findings

None

# Sauk Valley Community College District

## Summary Schedule of Prior Audit Findings

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### Prior Year Findings:

#### June 30, 2020

- I. Findings Related to the Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards
  - A. Internal Control

None
  - B. Compliance Finding

None
  
- II. Findings and Questioned Costs for Federal Awards
  - A. Internal Control

None
  - B. Compliance Finding

None

#### June 30, 2019

- I. Findings Related to the Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards
  - A. Internal Control

None
  - B. Compliance Finding

None
  
- II. Findings and Questioned Costs for Federal Awards
  - A. Internal Control

None
  - B. Compliance Finding

None